



CANNON BUILDING
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STATE OF DELAWARE
DEPARTMENT OF STATE

DIVISION OF PROFESSIONAL REGULATION

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PUBLIC MEETING MINUTES:	DELAWARE REAL ESTATE COMMISSION
MEETING DATE AND TIME:	Thursday, April 8, 2010 at 9:00 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room A , second floor of the Cannon Building
MINUTES APPROVED:	May 13, 2010

MEMBERS PRESENT

Ricky H. Allamong, Professional Member, Chairman
Vincent M. White, Professional Member, Vice-Chairman
Gilbert Emory, Public Member
James C. Brannon, Jr., Public Member
Patricia O'Brien, Public Member
James L. Givens, Professional Member
Christopher J. Whitfield, Professional Member (arrived at 9:58 a.m.)

DIVISION STAFF/ DEPUTY ATTORNEY GENERAL

Eileen Heeney, Deputy Attorney General
Gayle Melvin, Administrative Specialist III

MEMBERS ABSENT

Andrew Staton, Professional Member, Secretary
Denise R. Stokes, Public Member

ALSO PRESENT

TracyLee Elmore, SCAOR
Ron Hohrein
Sandy Hohrein
Larry Tims
David Martinez
Sandy Fader
Dee Hake DeMolen
Bill Schwartz
Cheryl Schwartz
Michael Schachte

Ben Fowler
Karen Kimbleton
Donald Gouge, Esquire
Barbara Gadbois, DAG
Patricia Shelton, Court Reporter

CALL TO ORDER

Mr. Allamong called the meeting to order at 9:02 a.m.

REVIEW OF MINUTES

A motion was made by Mr. White, seconded by Ms. O'Brien to approve the minutes of the meeting held on March 11, 2010. The motion passed unanimously.

NEW BUSINESS

Applications for Licensure

A motion was made by Mr. Givens, seconded by Mr. Emory to ratify the following new salesperson applicants as presented:

Colleen Corrado, Emory Hill, New Castle, DE
Dipak Ghoshal, First Class Properties, Dover, DE
Dennis Mather, Long & Foster, Bethany Beach, DE
Denis Nyakundi, Keller Williams Realty, Christiana, DE
Patrick Riordan, Prudential Carruthers Realtors, Severna Park, MD
Anne Hardesty, Keller Williams Realty Referral Associates, Bear, DE

The motion passed unanimously.

The application of Charles Anastasi for a non-resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

The application of John Patrick for a non-resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Jody Amato for a resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Mary Lutri for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Mr. Givens to approve this application. The motion passed unanimously.

The application of Sally Epply for a resident salesperson's license was reviewed. A motion was made by Mr. White, seconded by Mr. Brannon to approve this application. The motion passed unanimously.

New Offices

The application of Milestone Commercial Realty for a new office was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Harrison Properties, Ltd. for a new office was reviewed. A motion was made by Mr. White, seconded by Mr. Brannon to approve this application. The motion passed unanimously.

The application of Ocean Atlantic Sotheby's International for a new office was reviewed. A motion was made by Mr. Brannon, seconded by Ms. O'Brien to approve this application pending receipt of proof that the signage has been installed. The motion passed unanimously.

The application of Ideal Real Estate Services for a new office was reviewed. A motion was made by Mr. White, seconded by Mr. Brannon to approve this application pending the office obtaining a Delaware phone number and changing the signage to include this Delaware phone number. The motion passed unanimously.

The application of RealEstate.com Realtors for a new office was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Berry Real Estate for a new office was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve this application. The motion passed unanimously.

Reinstatement of License

The application of Charles Phelps for reinstatement of a non-resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Emory to approve Mr. Phelps for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The motion passed unanimously.

Status of Complaints

Complaint No. 02-25-09 – Closed

Complaint Nos. 02-30-09 to 02-45-09 – Closed

Complaint No. 02-19-09 – Referred to Attorney General's Office

Complaint No. 02-20-09 – Referred to Attorney General's Office

Complaint No. 02-01-10 – Referred to Attorney General's Office

Complaint No. 02-06-10 – Assigned to Mr. Staton

Education Committee Report

Recommendation to Approve and Deny Course Providers, Instructor Applications and Student Requests as Noted

Mr. White referred Commission members to the section of the April 1, 2010 minutes about the discussion of a request from Anna Legates in which she requested that the Education Committee and Real Estate Commission allow her to receive credit for a course she took

through Sussex County Association of Realtors. Ms. Legates did not sign-in when she arrived at class and did not stop to pick-up her certificate at the end. Sussex County Association of Realtors advised her that they would only give her a certificate if the Real Estate Commission agreed to it. She had two other participants sign affidavits stating she was present. In addition, she provided a copy of an email that was sent to her from the instructor after the course was completed. The Education Committee recommended to the Real Estate Commission to allow Ms. Legates to receive credit for the course. Mr. White stated that he felt that the Real Estate Commission should not be in the approval business and that this matter should be referred back to Sussex County Association of Realtors. Mr. White asked for guidance on this particular section of the minutes. Ms. Heeney advised that the minutes are an overview of what happened at the meeting and could be approved.

A motion was made by Mr. Brannon, seconded by Ms. O'Brien to approve and deny course providers, instructor applications and student requests as noted in the minutes of the April 1, 2010 meeting of the Real Estate Education Committee. The motion passed unanimously.

A motion was made by Mr. White, seconded by Mr. Givens to deny the recommendation of the Education Committee to the Real Estate Commission for the allowance of Ms. Legates to receive credit for the course. The motion passed unanimously.

Discussion: Annual Seminar

Mr. Tims reported that the Education Committee suggested the topics of green technology, ethics, changes to DUCCOIA and short sales. The suggested instructors are Paul Hughes, Gene Millman and Bruce Plummer. Mr. White also suggested social networking and professional conduct as topics for the seminar.

Discussion: Proposed Changes to the Continuing Education Requirements

Mr. Tims reported that the Education Committee discussed this issue at length. He reported that the Education Committee recommended that no changes be made to the continuing education requirements at this time. The Education Committee decided that they should take additional time to discuss what the appropriate changes should be and take the time to implement them properly. The Education Committee felt that it would be difficult to make changes to the continuing education requirements to be effective for the upcoming licensure period when the current licensure period is almost over and no notification has been given to the licensees that the continuing education requirements would be changing. Since, the non-resident licensees are already a year into the new licensure period, the Education Committee did not feel it would be fair to change their continuing education requirements. Also, if changes to the continuing education requirements were made now, it would mean that the audit in 2012 would have four different sets of continuing education requirements. Mr. Allamong reported that the Subcommittee to Review Statute Revisions had discussed the proposed changes to the continuing education requirements at their March 18, 2010 meeting and voted to bring a recommendation to the Commission. The Subcommittee's recommendation was to continue to require a total of 15 hours of continuing education and that salesperson licensees be required to take a three hour fair housing course or a three hour professional conduct course, a three hour salesperson core course, a three hour legislative update course and six hours in elective credits and that broker licensees be required to take a three hour broker of record course, a three hour legislative update course, a six hour brokers core course and three hours in elective credits. A discussion was held about the proposed changes and when to implement the changes. The discussion also included that licensees need to receive ample notification about the changes so it would not present a hardship to the licensees and that the broker of record course needs to be

developed. It was also noted that the brokers core course need to be revamped. A motion was made by Mr. White, seconded by Mr. Brannon that based on the discussion held today, to deny the decision of the Subcommittee to Review Statute Revisions and to refer this back to the Education Committee and to accept the recommendation from the Education Committee and to begin changes to the continuing education requirements with the 2012 to 2014 licensure period. The motion passed unanimously.

Update from the Subcommittee to Review Statute Revisions

Mr. Whitfield reported that the Delaware Association of Realtors had discussed submitting the proposed revisions to the statute to the legislature. After discussion, the Association decided not to pursue this. Mr. Allamong reported that he has been in contact with Debbie Puzzo, Executive Assistant to the Sunset Committee. She plans to attend the Commission's May meeting. The Subcommittee plans to complete the proposed revisions and provide a draft to the Sunset Committee when it is completed. The next meeting of the Subcommittee is scheduled for April 27, 2010 at 9:00 a.m.

Review of Proposed Amendment to Permit On-line Pre-licensing

Ms. Heeney provided Commission members with a copy of the Education Guidelines Supplement & Forms. She reviewed the proposed changes that she had made. The changes included that the 99 hour pre-licensing course can be offered in a school or on-line program; an applicant can take up to 60 hours of any on-line pre-licensing course, accredited by Delaware or another state, towards the total 99 pre-licensing hours and take the 39 hour Delaware Real Estate Law course on-line; and the instructors for on-line programs must be approved by ARELLO. A motion was made by Mr. Brannon, seconded by Mr. Emory to accept these changes. The motion passed unanimously. A discussion was held about the course evaluation for an on-line program. Mr. Allamong requested that Mr. White discuss this with ARELLO to see how they handle it.

Review of Letter from Norman Sugrue to Change a Broker's License to a Salesperson's License

The Commission reviewed a letter received from Norman Sugrue requesting to change his broker's license back to a salesperson's license. A motion was made by Mr. Brannon, seconded by Mr. White to approve Mr. Sugrue's request. The motion passed unanimously.

OLD BUSINESS

Discussion: Delaware Court Ruling Regarding Email Sufficient to Terminate Contract – Mr. White

This was tabled until the next meeting.

Sign Final Order from Hearing Held on March 11, 2010 Regarding Case 02-24-09 Against Carole A. Sieber

The final order from the hearing held on March 11, 2010 regarding Case 02-24-09 against Carole A. Sieber was signed by Commission members.

Review of Email from Anthony Stenta Requesting the Commission to Reconsider his Request for an Extension to Obtain his Continuing Education

The Commission reviewed the email from Anthony Stenta requesting the Commission to reconsider his request for an extension to obtain his continuing education. The Commission had denied Mr. Stenta's request at the last meeting. A motion was made by Mr. Whitfield, seconded by Mr. Givens to deny Mr. Stenta's request. The motion failed. Mr. Whitfield, Mr. Givens and Mr. Allamong voted in favor of the motion. A motion was made by Mr. Brannon, seconded by Mr. Emory to grant Mr. Stenta a six-month extension from April 30th in order to obtain his continuing education. Mr. Stenta will not be able to use this continuing education for the 2012 renewal and his record will be flagged for audit for the 2012 renewal. The motion passed by majority vote. Mr. Whitfield and Mr. Givens voted against the motion.

OTHER BUSINESS BEFORE THE COMMISSION (for discussion only)

There was no other business before the Commission.

PUBLIC COMMENT

There was no public comment at this meeting.

The Commission recessed from 10:29 a.m. to 10:37 a.m.

HEARINGS

Case 02-44-08 Against Michael A. Wallace

Ms. Heeney called the formal hearing to order at 10:38 a.m. This hearing was held to receive evidence in the matter of Case No. 02-44-08 against Michael A. Wallace. It was noted that Ms. Stokes, who is not present, was the contact person for the complaint. Present for the hearing was Barbara Gadbois, Deputy Attorney General. Verbatim testimony was recorded by the court reporter.

Ms. Gadbois presented her case. Ms. Gadbois called Ms. Melvin as her witness. Ms. Melvin testified that the hearing notice was hand delivered to Mr. Wallace at the Sussex Correctional Institute on March 12, 2010. On March 18, 2010, Ms. Melvin had received notification from Mr. Wallace that he would not be attending this hearing.

The Commission went off the record at 10:50 a.m. to hold deliberations. The Commission went back on the record at 11:00 a.m. A motion was made by Mr. Whitfield, seconded by Mr. Brannon that in Case No. 02-44-08, Mr. Wallace is found guilty of violating §2912(a)(8) and §2912(a)(12) on the grounds that he was found guilty of a crime substantially related to the practice of real estate and the Commission revokes the license of Mr. Wallace. The motion passed unanimously. The hearing ended at 11:01 a.m.

Oral Reargument Regarding Case 02-30-07 Against Joseph P. Connor, Jr.

Ms. Heeney called the oral reargument on the State's motion to order at 11:05 a.m. This was held at the request of Barbara Gadbois, Deputy Attorney General, for limited reargument of the Commission's Final Order. Mr. Givens and Ms. O'Brien were recused because they were not present for the original hearing. It was noted that Ms. Stokes, who is not present, was the contact person for the complaint. Present for the hearing were Barbara Gadbois, Deputy

Attorney and Donald Gouge, Jr., Esquire. Verbatim testimony was recorded by the court reporter.

Ms. Gadbois presented her oral reargument. Mr. Gouge responded on behalf of Mr. Connor.

The Commission went off the record at 11:37 a.m. to hold deliberations. The Commission went back on the record 12:26 p.m. A motion was made by Mr. Whitfield, seconded by Mr. Brannon to overturn the Commission's previous decision because the underlying conduct happened while Mr. Connor was licensed; a licensee should not be permitted to terminate a license to avoid discipline for actions which would result in a hearing or discipline by the State; and the Real Estate Commission has the ability to prosecute all persons in violation of the statute. The motion passed unanimously. A motion was made by Mr. Whitfield, seconded by Mr. Brannon that Mr. Connor's license be suspended for a minimum of one year from the mailing of the order, but shall not terminate prior to satisfactory completion of his sentence and probation; reinstatement of Mr. Connor's license shall be subject to a full hearing by the Commission; and all of Mr. Connor's licenses will be marked suspended. The motion passed unanimously. The oral reargument ended at 12:27 p.m.

The Commission recessed from 12:28 p.m. to 1:31 p.m. in order for Mr. Gouge to confer with Mr. Schachte and to meet with Ms. Gadbois regarding reaching a consent agreement.

Case 02-46-09 Against Michael S. Schachte

Ms. Gadbois reported that a consent agreement has been reached between the State and Mr. Schachte. The consent agreement requires that Mr. Schachte will undergo a psychiatric evaluation with the report to be sent to Mr. Allamong, who is the contact person for the case. Mr. Schachte will agree to a treatment plan is needed and will follow the treatment plan as written with a report to Mr. Allamong. Mr. Schachte's broker of record will issue a quarterly report to Mr. Allamong about any complaints received from co-workers or clients. Mr. Schachte will be placed on one-year probation, with probation terminating at the discretion of the Commission and recommendation of Mr. Allamong. Mr. Schachte's current broker of record will notify the Commission immediately if Mr. Schachte leaves employment. If Mr. Schachte leaves his current broker's employment, he must provide any new broker with a copy of the Commission's order. Mr. Schachte admits guilt to #8 of the State's complaint and petition for emergency hearing, temporary suspension and discipline which is in violation of §2912(12) in that his conduct was improper and dishonest. Mr. Schachte's probation will be effective today. Mr. Gouge stated that Mr. Schachte is in agreement with what has been imposed.

The Commission went off the record at 1:37 p.m. to hold deliberations. The Commission went back on the record at 1:38 p.m. A motion was made by Mr. Brannon, seconded by Mr. Whitfield to accept the consent agreement. The motion passed unanimously. Ms. Heeney will prepare an order for Commission members to sign at the next meeting.

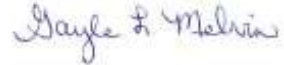
NEXT SCHEDULED MEETING

The next meeting will be held on Thursday, May 13, 2010 at 9:00 a.m.

ADJOURNMENT

A motion was made by Mr. Brannon, seconded by Mr. Emory to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 1:40 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gayle L. Melvin". The signature is written in a cursive, flowing style.

Gayle L. Melvin
Administrative Specialist III